

**RATIFY A LEASE AGREEMENT WITH JOHN GALT SOLUTIONS, INC.
FOR RENTAL OF SPACE AT 125 S. CLARK STREET**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a lease agreement with John Galt Solutions, Inc. for rental of space at 125 South Clark Street, Suite 1950. A written lease agreement has been negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease agreement is stated below.

TENANT: John Galt Solutions, Inc.
39 South LaSalle St. Suite 815
Chicago, IL 60603
312-701-9026
Attn: Anne Omrod, President

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 South Clark St. Suite 1950, consisting of 6,587 rentable square feet of office space.

USE: Office space for the use of Tenant's software consulting firm.

TERM: The term of this lease agreement shall commence April 1, 2001 and shall end March 31, 2006. This lease agreement shall have one option to renew for a period of five years at a rental rate to be negotiated.

EXPANSION RIGHT: Subject to the prior rights of existing Tenants, during the first 24 months of the existing lease term, Tenant shall have the right of first option to rent the space known as Suite 1915. Upon notice by Landlord to Tenant, Tenant shall have fifteen (15) days to give notice of its intent to exercise its option to rent or refuse to rent Suite 1915.

RENT: The annual rent for the initial term of the lease shall be in the amount of \$16.72 per rentable square foot, totaling \$110,134.68 payable in equal monthly installments of \$9,177.89. Rental payments shall increase by 4% per year after the first year of the lease term.

ADDITIONAL RENT: Tenant shall pay for electricity at the monthly rate of \$.0875 per rentable square foot with an increase of 3% per year after the first year of the lease term.

IMPROVEMENTS TO PREMISES: Landlord shall provide Tenant with a maximum build-out allowance of \$10.86 per rentable square foot totaling \$71,534.82. Tenant shall be responsible for any build-out costs beyond the build out allowance.

INSURANCE/INDEMNIFICATION: Tenant shall maintain (1) general liability insurance with limits of not less than \$1,000,000 including Landlord and its employees as additional insureds, and (2) special perils property insurance covering its contents and the Landlord's interest in the leasehold improvements. Tenant shall provide Landlord with a Certificate of Insurance, with the provision that Tenant must provide 30 days written notice to Landlord prior to cancellation.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Credit income to General Fund.
Charge \$71,534.82 to Budget Classification: 0645-476-000-4450-5400

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

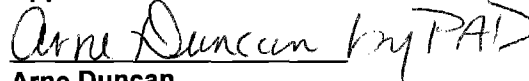
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Timothy Martin
Chief Operating Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel